

Business Development

Mission

To improve the quality of life for Hoosiers by encouraging the diversification of Indiana's economy, the creation of new jobs, the retention of existing jobs, the growth and modernization of existing industry and the promotion of the state of Indiana.

Summary of Activities

The **Office of the Lieutenant Governor** promotes business development through the **Indiana Department of Commerce** (IDOC) and two quasi-governmental agencies: the **Indiana Development Finance Authority** (IDFA) and the **Indiana Economic Development Council** (IEDC).

IDOC facilitates business attraction, retention, and expansion through its International Trade, Business Development, and e-Commerce divisions. The Department's Industrial Development Grant Fund provides assistance to local units of government for the installation and extension of public infrastructure to support new and expanding industries. IDOC promotes the sale of Indiana products overseas through an export assistance program and the maintenance of foreign trade offices in 14 countries on five continents.

IDFA administers the state's Industrial Revenue Bonding program and manages capital access and loan guaranty programs.

The 21st Century Research and Technology Fund was established in 1999 to support the expansion of the high technology sector of Indiana's economy. The Fund seeks to increase the capacity of universities, businesses, nonprofit corporations, and other organizations to compete successfully for federal or private research and development funding and stimulate the transfer of research and technology into marketable products. In addition, it assists in diversifying Indiana's economy by focusing investment in biomedical research and biotechnology, information technology, and other high-technology industry clusters requiring high-skill, high-wage employees. And it encourages an environment of innovation and cooperation among universities and businesses to promote research activity.



External Factors

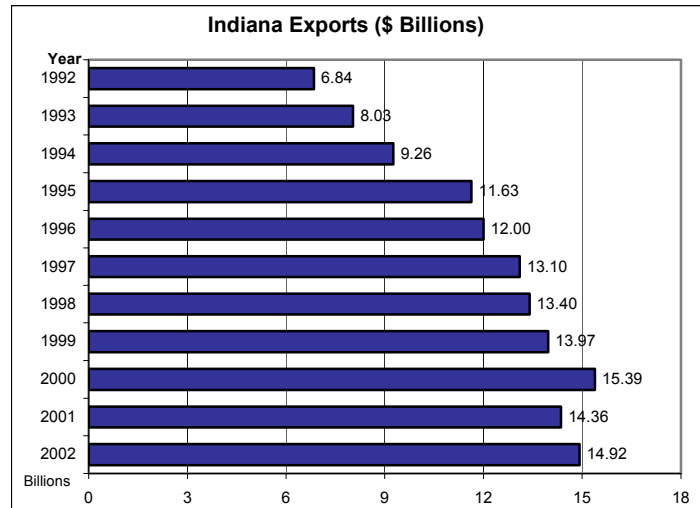
The principal factors affecting business development are the availability of a skilled workforce, the impact of the "new economy" on Indiana's manufacturing and service sectors, energy availability and cost, regional and interstate competition for companies, and the level of federal funding.

Evaluation and Accomplishments

In 2002, the Department set up 12 regional offices throughout the state in order to take its services to its customers. Each office is staffed with three individuals who provide "one-stop" services for their constituents.

- 397 Indiana businesses received \$26.1 million in workforce training assistance for 16,575 new and 81,169 existing jobs, leveraging \$3.2 billion in private capital investment.
- 42 infrastructure grants totaling \$6,716,144 were awarded to 34 Indiana communities in 29 counties to support projects that produced 4,858 new jobs and leveraged \$482 million in new, private capital investment.
- 46 export development grants totaling \$208,593 were awarded to Indiana businesses, benefiting over 5,465 workers and leveraging \$356,972 in private investment.
- \$5.4 million has guaranteed 15 loans totaling \$7.9 million, helping create 250 new jobs.

- IDFA's Capital Access Program leveraged over \$26 million in private funds, creating 546 new jobs. The present private-to-public capital access leverage ratio is approximately \$24 to \$1.
- In 2002, Indiana businesses exported approximately \$14.9 billion in goods worldwide, compared to \$6.84 billion in 1992.



Plans for the Biennium

IDOC will expand e-commerce and technology sector initiatives, continue investment in research and technology projects, and continue expanding high-tech, high-wage business. Integration of regional business development resources will be improved, while funding will be set aside from existing assistance programs to promote worker skills enhancement in information technology. Financial assistance programs will be further focused on attraction, retention and expansion of high-tech and advanced manufacturing businesses that account for major capital investments and provide high-wage jobs.

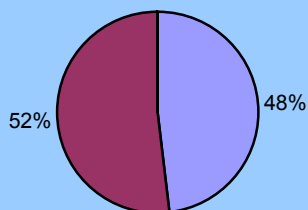


Program: 0205

	Actual FY 2001	Actual FY 2002	Estimate FY 2003	Appropriation FY 2004	Appropriation FY 2005
(All Funds)	\$53,054,154	\$78,997,962	\$54,073,640	\$81,070,479	\$80,070,478

Sources of Funds FY 2004 (Approp)

General Dedicated Federal Other



Uses of Funds FY 2004 (Approp)

Personal Services Distributions Capital Other

